

## U.S. lags in spending for infrastructure



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Rep. Tim Ryan

SABRINA EATON  
Plain Dealer Reporter



Ryan

"This is the dirty little secret here in Washington, D.C.," Ryan said as he wrapped up his floor speech. "We're only spending 2 percent of our GDP on our infrastructure, while China and India are spending 10 percent of their GDP reinvesting back into their country. We will lose the future if we do not make these investments."

PolitiFact always wants to probe Washington's dirty little secrets, so we thought we'd check the numbers behind Ryan's assertion that China and India spend disproportionately more on infrastructure than the United States does.

When we asked Ryan's office where he got his statistics, his spokesman pointed us to a pair of articles that ran earlier this year in *The Economist*. The first, titled "Life in the slow lane," claims the United States has grown stingier with infrastructure spending since the days when it funded transcontinental railroad construction and built the interstate highway system.

"Total public spending on transport and water infrastructure has fallen steadily since the 1960s and now stands at 2.4% of GDP," the article says. "Europe, by contrast, invests 5% of GDP in its infrastructure, while China is racing into the future at 9%."

For data on India, Ryan's office cited a July 21 *Economist* piece titled "India's economy, the half-finished revolution." It quotes Morgan Stanley economist Chetan Ahya predicting that India's infrastructure spending will "still be an adequate 8% of GDP this fiscal year." The article goes on to say that India's government wants that share to rise to 10 percent over the next five years.

The numbers in those articles don't precisely match Ryan's, though they bolster his contention that China and India emphasize infrastructure more than the United States does.

SEE POLITIFACT | B3

## POLITIFACT

FROM B1

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We turned to other sources to see if we could confirm Ryan's statistics on the proportion of gross domestic product that each country spends on infrastructure. All the statistics that we found backed up *The Economist's* reporting, although we were not able to find all three countries' data for a single year, so comparisons aren't "apples to apples."

To obtain U.S. figures, we consulted the nonpartisan Congressional Budget Office. According to a November 2010 report titled "Public Spending on Transportation and Water Infrastructure," the United States spent \$356 billion, or 2.4 percent of its gross domestic product, on infrastructure in 2007, the last year for which statistics were available. That matches the number cited by *The Economist* and is close to the 2 percent figure that Ryan cited, though it's not exact.

For India's statistics, we found a January 2011 report from the Indian government's Secretariat for Infrastructure, which said that India wants investment in its physical infrastructure to reach about 9 percent of GDP by 2011-12. Tables in the report projected the number would actually be 8.37 percent. The report estimated that India spent nearly 8 percent of its gross domestic product on infrastructure in 2010-2011, and 7.51 percent in 2009-2010. The number was 5.71 in 2006-2007 and 6.44 percent in 2007-2008. Those numbers approximate *The Economist's* statistics, though they don't reach the 10 percent cited by Ryan. All exceed the 2.4 percent ratio of GDP that the CBO says the U.S. spent on infrastructure in 2007.

To get statistics on China, we examined a 2009 United Nations University research paper on infrastructure spending. It says that China spent 9 percent of its GDP on infrastructure in 2006 and that India spent 3.6 percent. The 9 percent number echoes *The Economist's* data.

Ryan makes a solid point that China and India outspend the United States on infrastructure, though he inflated the amount that Asia spends and slightly understated the U.S. amount. But his exaggeration wasn't enough to push his statement into false territory, so we rate his remark Mostly True.

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To reach this Plain Dealer editor:  
[seaton@plaind.com](mailto:seaton@plaind.com), 216-999-4212

SOURCES: *The Economist*, "America's transport infrastructure: life in the slow lane," April 28, 2011; *The Economist*, "India's economy, the half-finished revolution," July 21, 2011; Congressional Budget Office, Public Spending on Transportation and Water Infrastructure, November 2010; Secretariat for Infrastructure, Planning Commission, Government of India, Investment in Infrastructure during the Eleventh Five Year Plan, January 2011; United Nations University World Institute for Development Economics Research, Economic Reforms and Infrastructure Spending, Evidence from China and India, by Pinaki Chakraborty and Yan Zhang, August 2009.